# Mining firms face rising geopolitical risks and resource nationalism in Africa’s critical minerals race



The recent 3rd annual London Indaba underscored the complex interplay between geopolitics and the mining sector in Africa, particularly amid rising resource nationalism and global political risk. Opening with a panel on the “new world order,” experts highlighted how diplomacy is increasingly shaped by muscle and money, heightening political uncertainty for mining investments. This reality is acutely felt in the Sahel region where coups in Mali, Niger, and Burkina Faso have left mining projects like Orano’s Somair uranium mine in Niger vulnerable to nationalisation under military juntas. CEOs are now compelled to act as “chief geopolitical risk officers,” vigilantly managing the growing threats of resource nationalism that imperil projects and investments alike.

Despite these challenges, the Indaba emphasised the complementary opportunity presented by a surging global demand for critical minerals and metals, vital for the energy transition. Copper, for instance, is projected to experience a 53% growth in demand between 2025 and 2050, necessitating urgent investment in mining capacity to avoid supply shortfalls. This pivot towards sustainable energy and digital technologies intensifies the pressure on mining companies to navigate regions where resource control is becoming increasingly stringent, mirroring wider global trends. Western democracies' recent state interventions, such as the US imposing tariffs on Chinese mineral imports and China's reciprocal measures, reflect a resurgence of protectionist policies reminiscent of the early 20th century and intensify geopolitical complexities around critical minerals.

Within this fraught landscape, the conference repeatedly highlighted the primacy of relationship building between mining companies and African governments. Trust was identified as a key determinant of success. Mark Cutifani, chair of Vale Base Metals, described how some African governments perceive a lack of trust from foreign investors, which can lead to short-term profit-seeking being punished by increased local demands or outright nationalisation. Long-term partnership, he argued, is essential for mutual success, a sentiment echoed by Endeavour Mining chair Srinivasan Venkatakrishnan, who stressed mining as an inherently long-term, risk-laden endeavour that requires sustained government collaboration.

However, the reality remains that even well-established relationships may sour under political shifts. With eighteen national elections across Africa in 2024 alone, many powered by platforms promising reforms to secure a larger share of resource wealth for the state, the risk of abrupt policy changes is tangible. Governments can and do alter mining permits and concessions with little warning, as seen recently in Burkina Faso. This volatility underscores the necessity for rigorous risk management strategies beyond diplomacy and collaboration.

Investment treaties surfaced as a critical, if sometimes contested, mechanism for mitigating such risks. These international agreements set out substantive protections for investors against wrongful state interference, offering recourse to arbitral tribunals if disputes escalate. While some Indaba participants expressed reluctance to rely on international arbitration—questioning why disputes with African states should be resolved in distant tribunals—experts pointed out that investment treaties provide a vital safety net. Structuring investments to benefit from treaty protections at the outset, or before foreseeable disputes arise, can safeguard investors’ interests and provide leverage in negotiations with host governments. Far from signaling distrust, such arrangements constitute prudent legal and commercial risk management analogous to “fixing one’s roof while the sun is shining.”

Indeed, data from the International Centre for Settlement of Investment Disputes (ICSID) shows that mining-related claims represent nearly 20% of all registered cases, with African states including Niger and the Democratic Republic of Congo among those frequently involved. This reality demonstrates that political risk is not theoretical but an ongoing challenge requiring robust legal frameworks to protect international mining investments in Africa.

Beyond the immediate legal and geopolitical concerns, the Indaba also highlighted Africa’s vast potential as a hub of critical minerals vital to the global energy transition. Industry leaders emphasised the continent’s vast untapped reserves and called for sustainable mining practices, improved infrastructure, and clearer regulatory environments to attract long-term investment. This aligns with a broader vision outlined in other forums to transform Africa from a raw commodity exporter into an industrial powerhouse, building comprehensive value chains that add more value locally rather than exporting unprocessed materials.

Innovative financial mechanisms were also discussed as integral to unlocking Africa’s mining potential. Participants recognised the critical gap in early-stage capital and the growing role of private equity, alongside alternative finance instruments such as streaming, prepayments, and royalty financing, as essential to catalysing investment in an evolving sector marked by both opportunity and complexity.

In sum, the London Indaba brought into sharp relief the high political risk enveloping African mining, driven by protectionist policies and resource nationalism amid shifting global geopolitics. While collaboration and trust-building with governments remain foundational, mining companies must also strategically deploy investment treaties and legal protections to safeguard their interests and respond to an increasingly fraught landscape. The race to supply critical minerals for the energy transition adds urgency to these efforts, positioning Africa as a pivotal arena where geopolitical risk, sustainable development, and global resource demand intersect with profound consequences.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.africanmining.co.za/2025/07/01/investment-treaties-a-guard-against-protectionist-policies-and-resource-nationalism/), [[2]](https://www.ft.com/content/14dad9e1-bfda-4c00-b1b6-9dd41842650a), [[5]](https://en.wikipedia.org/wiki/Resource_nationalism)
* Paragraph 2 – [[1]](https://www.africanmining.co.za/2025/07/01/investment-treaties-a-guard-against-protectionist-policies-and-resource-nationalism/), [[2]](https://www.ft.com/content/14dad9e1-bfda-4c00-b1b6-9dd41842650a), [[3]](https://miner.africa/2024/06/26/london-indaba-speakers-highlight-africas-critical-minerals-opportunities/)
* Paragraph 3 – [[1]](https://www.africanmining.co.za/2025/07/01/investment-treaties-a-guard-against-protectionist-policies-and-resource-nationalism/)
* Paragraph 4 – [[1]](https://www.africanmining.co.za/2025/07/01/investment-treaties-a-guard-against-protectionist-policies-and-resource-nationalism/), [[5]](https://en.wikipedia.org/wiki/Resource_nationalism)
* Paragraph 5 – [[1]](https://www.africanmining.co.za/2025/07/01/investment-treaties-a-guard-against-protectionist-policies-and-resource-nationalism/), [[5]](https://en.wikipedia.org/wiki/Resource_nationalism)
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* Paragraph 7 – [[1]](https://www.africanmining.co.za/2025/07/01/investment-treaties-a-guard-against-protectionist-policies-and-resource-nationalism/), [[5]](https://en.wikipedia.org/wiki/Resource_nationalism)
* Paragraph 8 – [[1]](https://www.africanmining.co.za/2025/07/01/investment-treaties-a-guard-against-protectionist-policies-and-resource-nationalism/), [[3]](https://miner.africa/2024/06/26/london-indaba-speakers-highlight-africas-critical-minerals-opportunities/), [[6]](https://www.forbesafrica.com/current-affairs/2025/02/05/african-mining-indaba-new-course-amidst-tumultuous-waters/), [[7]](https://crossboundary.com/mining-indaba-2025-evolving-mining-sector-in-africa/)

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## Bibliography

1. <https://www.africanmining.co.za/2025/07/01/investment-treaties-a-guard-against-protectionist-policies-and-resource-nationalism/> - Please view link - unable to able to access data
2. <https://www.ft.com/content/14dad9e1-bfda-4c00-b1b6-9dd41842650a> - This article discusses the global rise in resource nationalism amid escalating geopolitical tensions. It highlights how countries are increasingly asserting control over critical minerals essential for the energy transition, with Western democracies exhibiting state interventions not seen since the early 20th century. The piece also covers recent actions by the Biden administration imposing tariffs on Chinese mineral imports and China's retaliatory measures, underscoring the complexities of international business operations and the global race for resources vital to technology and green energy sectors.
3. <https://miner.africa/2024/06/26/london-indaba-speakers-highlight-africas-critical-minerals-opportunities/> - This article highlights discussions from the London Indaba conference, focusing on Africa's potential in the critical minerals market. Dr. John Smith, CEO of a leading mining consultancy, emphasises Africa's vast reserves and the need for sustainable mining practices. The piece also addresses the importance of infrastructure development and clear regulatory frameworks to attract investment and support the continent's mining sector growth.
4. <https://miningindaba.com/page/highlights> - This page provides highlights from the Mining Indaba conference, marking a significant shift by placing indigenous peoples and local communities at the forefront of discussions. It acknowledges their vital role in shaping the mining industry's future and addresses the complex geopolitical landscape affecting Africa's mining sector, including strategic decisions between engaging with the U.S. under protectionist policies or aligning with the China-led BRICS group.
5. <https://en.wikipedia.org/wiki/Resource_nationalism> - This Wikipedia article defines resource nationalism as the tendency of people and governments to assert control over natural resources within their territory, often conflicting with multinational corporations. It discusses how governments may take ownership or control of resources for strategic and economic reasons, applying to various resources such as metals and mining investments, particularly in less developed nations.
6. <https://www.forbesafrica.com/current-affairs/2025/02/05/african-mining-indaba-new-course-amidst-tumultuous-waters/> - This article discusses the African Mining Indaba's focus on transforming Africa's role from a raw commodity exporter to an industrial powerhouse. It highlights Minister Mantashe's keynote address, stressing Africa's aspirations to accelerate industrialisation and close the development deficit by harnessing its vast resources to build comprehensive, value-added industries, moving beyond exporting raw commodities.
7. <https://crossboundary.com/mining-indaba-2025-evolving-mining-sector-in-africa/> - This article provides insights from discussions with public and private stakeholders across the mining value chain, highlighting critical themes such as bridging the early-stage funding gap, the rise of private equity, and alternative financing instruments like prepayments, streaming, and royalty financing. It underscores the challenges and opportunities in catalysing investment in African mining, with a focus on innovative financing solutions.